

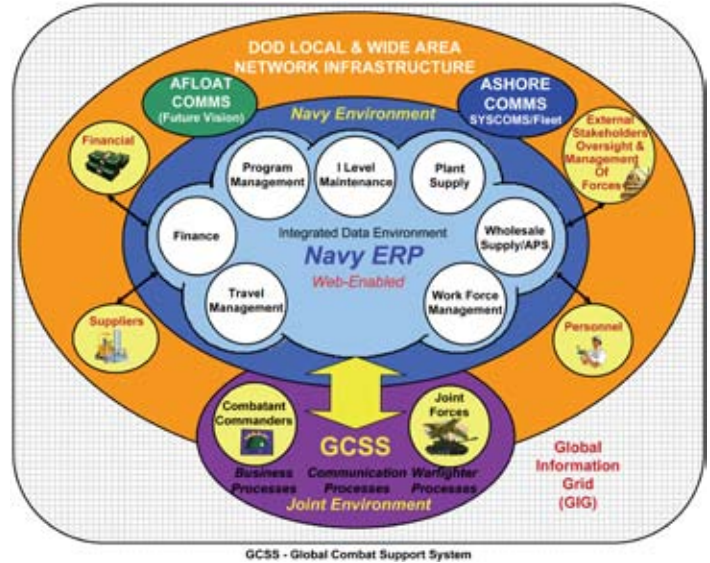
Navy Enterprise Resource Planning (ERP) Program

Executive Summary

- During 3Q and 4QFY07, Commander Operational Test and Evaluation Force (COMOPTEVFOR) conducted an operational assessment in a laboratory environment employing both typical users and subject matter experts.
- The Navy Enterprise Resource Planning (ERP) program demonstrates the potential to be operationally effective, suitable, and survivable in the operational environment.
- The system achieved Milestone C in late 4QFY07. The project manager began a limited fielding of the system to Naval Air Systems Command (NAVAIRSYSCOM) in preparation for IOT&E, which COMOPTEVFOR will conduct during 1Q and 2QFY08.

System

- A major component of the Navy's Global Combat Support System, Navy ERP uses commercial ERP software to manage financial and logistical activities. Some additional software development is necessary to perform unique military requirements.
- Navy ERP provides ERP web services to users worldwide through a Navy Enterprise Portal.
- The program manager is implementing the system in three stages, or releases: financial and acquisition management; wholesale and retail supply; and intermediate level maintenance.
- Navy ERP replaces four Navy ERP pilot systems (Supply Maintenance Aviator Reengineering Team (SMART), SIGMA (Financial System), Navy Enterprise Maintenance Automated Information System (NEMAIS) and CABRILLO (Warfare Center Management)), converging them into a single, integrated system.



Mission

- The Navy utilizes the Navy ERP program to provide end-to-end management of the Navy's major resources (forces, support material, and funds) from forward deployed forces back to supporting entities.
- The Navy intends to use the ERP program to transform key acquisition, logistics, and financial business activities into an integrated network of decision-making processes and business activities.

Activity

- During 3Q and 4QFY07, COMOPTEVFOR conducted an operational assessment in a laboratory environment employing selected users and subject matter experts from four Navy System Commands, including NAVAIRSYSCOM, Naval Sea Systems Command, Space and Naval Warfare Systems Command, and Naval Supply Systems Command. The operational testers worked alongside developmental testers.
- During user acceptance testing, the program manager used realistic master scenarios that provided a comprehensive examination of the Navy ERP business processes. Upon completion of the developmental testing, COMOPTEVFOR ran its own scenarios to ensure that high risk areas had been adequately assessed. The operational assessment was

performed in accordance with the DOT&E-approved Test and Evaluation Master Plan and the Operational Assessment Test Plan.

- The system achieved Milestone C in September 2007 and limited fielding to NAVAIRSYSCOM activities began in preparation for IOT&E, which COMOPTEVFOR will conduct during 1Q and 2QFY08.

Assessment

- Navy ERP Release 1.0 demonstrates the potential to be operationally effective, suitable, and survivable in the operational environment.
- The commercial software is complex and is sometimes difficult to use; however, the required capabilities work. The

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system met developmental test exit criteria with no critical errors in functionality.

- While the business processes appear to have been effectively reengineered, the degree of change is substantial and the learning curve for users will be steep. User roles will need continued adjustments as the system is placed in operation.
- When the system goes live, problems can be expected with managing large files and processing large, data-intensive reports. There will be residual data errors resulting from the legacy system data conversion.
- Penetration and Information Assurance testing found some system vulnerabilities, but they are assessed to be low risk.
- At the time of the operational assessment, the continuity of operations plan lacked sufficient detail. The system's alternate

data center at China Lake, California, will not be fully operational until late November 2007.

Recommendations

- Status of Previous Recommendations. This is the first annual report for this program. There are no previous recommendations.
- FY07 Recommendations.
 1. The program manager should closely monitor data conversions from the legacy system to preclude major difficulties following limited fielding.
 2. COMOPTEVFOR should test the continuity of operations plan rigorously during IOT&E.